To Eileen
2/4 - send
w/ attach's

February 3, 1998

Forsyth 1st Q, '98

TO: All ROU'S

FROM: Mike Moore
Ext. 2858

A copy of this letter is being faxed to each region due to systems problems that are occurring.

Please copy this letter and send with your breakout allocations sheets to all respective managers. Allocation sheets should have been received at ROU's on Friday 1/30/98.

If for some reason you did not receive a packet, please contact Mike Moore at Extension 2858.

Mike

Mike Moore

MM/lw

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Source: https://www.industrydocuments.ucsf.edu/docs/tmyy0000

FSC-20-B	1/30/98

SUBJECT: Forsyth First Quarter 1998 Promotion

Response Required? X Yes

Date Required: February 27, 1998 - Return Promotion Allocation Sheets to Customer Services

DISTRIBUTION:

X AVP	X KAM	X DM
X RSM	X AM	X RM
X RBM	X AE	___ Sales Rep
X ROM		___ Retail Rep

Objective: Announce and explain Forsyth's First Quarter 1998 Promotion.

Purpose: Promote Forsyth Products in Forsyth contracted accounts during anticipated heavy discounting period by competitive savings brands. The quarter-end promotion is designed to protect its present volume base and at the same time gain incremental volume for our Forsyth Private Label contracted partners.

Promotion Timing: Entire month of March. Forsyth account must fully participate for entire month.

Eligible Participants: Contracted Forsyth Private Label partners.

Promotion Intent: Reduce Forsyth brand's retail selling price by $1.00-$1.50 per carton/$.10-$.15 per pack below its everyday retail price for 4.4 weeks (all of March) giving it a $3.50-$4.00 per carton spread versus non-promoted Branded Savings price (assumes $2.50 per carton off invoice + $1.00-$1.50 buydown = $3.50-$4.00).

Promotion Details: Forsyth Tobacco Products will support the quarter end promotion by adding $.50 per carton to participating contracted account's Alliance Accrual Fund if account agrees to match from its existing Alliance Accrual balance at an additional $.50 or $1.00 per carton. Forsyth's contribution is based on an average of 4.4 week's volume calculated on shipments to direct accounts for the 13 week time frame of Sept.-Nov., 1997.

1. $.50 Contracted Partners Match - A contracted account that has less than 5 months of accrual in its Alliance Accrual Fund as noted on its allocation sheet (example, Attachment 1) - based on an average accrual rate of $.55 per carton, may match at the minimum of $.50 rate (Forsyth commits $.50 + partner commits $.50 = $1.00 reduction). Even if an account has no money in its Alliance Accrual Fund, it can participate based on the accrual that will be earned on the promoted product sold.

2. $1.00 Contracted Partner Match - A contracted account that has 5 months or more of accrual in its Alliance Accrual Fund, as identified on its allocation sheet, must match our $.50 contribution with a minimum of $1.00 from its accrual. Three reasons for this are:

   A. $1.50 incremental buydowns or $4.00 total below the non-promoted Branded Savings price is better due to anticipated Branded Savings promotional rates during this time frame.

   B. If the account has additional Alliance Accrual monies available and the marketplace calls for even higher discount rates on Forsyth PL, you may request the contracted account contribute more than $1.00 per carton from its fund. The best scenario during this promotion period is to ensure our PL maintains a $1.00-$1.30 price gap versus promoted competitive Branded Savings.

   C. At a time when our Private Label volume is being challenged, it does neither the partner nor Forsyth any good to be sitting on excess accrual funds.

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3. Exception - For our contracted Forsyth partners who have changed to $3.00 off invoice and do not have existing accrual funds necessary to match our $.50 contribution, they may participate in the promotion without matching since they use their accruals in everyday pricing.

We should make every attempt to gain 100% participation in contracted accounts reiterating Forsyth's continued commitment to our Private Label customers.

Promotion Allocation Sheets:

- ROUs are scheduled to receive allocation sheets via Airborne on Friday, January 30. ROUs to disseminate allocation sheets to appropriate personnel.

- If you receive an allocation sheet for an account for which you do not have responsibility, forward immediately to the proper person who does, making the necessary account manager name and division changes on the Promotion Allocation sheet. When the account manager with responsibility for this account returns the form to Customer Services, proper updates will be made.

Administrative Requirements:

- Once you receive participation commitment from the contracted account, sign the Promotion Allocation sheet, date and FAX to Customer Services at (910) 741-2156. All Promotion Allocation sheets must be returned by February 27, 1998.

- At that time, Customer Services will place the promotion allowance funds into the contracted account's Alliance Accrual Fund.

- Once the promotion is completed, and verification of the program's success has been confirmed, you should request these funds, along with the contracted partner's match portion from the fund to reimburse the contracted account.

Product Lead Time:

- Please keep in mind that any incremental product forceouts to support this promotion usually require a four-week lead time to ensure adequate inventory levels in public warehouses. However, due to the short lead time allowed for this promotion, we realize that in some cases this may not be possible.

- Distribution will do its best to ensure that adequate inventories are available in our public warehouses.

- Complete Attachment II (available in F3Fill under Forsyth Tobacco Order Forms) and send to Customer Services to cover those needs as early in February as possible to ensure additional product for March.

Display and POS:

- Every attempt should be made to obtain supplemental displays with bold price communication. If a supplemental display cannot be placed, we must have, at minimum, highly visible pricing signage

- In communicating price, you should utilize Forsyth pricing POS and show the discounted amount and special price.

  Example: Everyday Low Price $1.19 Price communication should show You Save $.15 Special Price $1.04.

Program Contacts: Your Region Business Manager
Your Area Manager of Operations
Your Area Manager of Finance
Mike Moore, extension #2858
Gwen Scott, extension #3340

Forsyth Tobacco Products

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A Division of RJRT

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Attachment I
(FSC-20-B)

Forsyth 1st Quarter '98 Promotion Allocation

Account Manager: J. Doe

Division: #7555

CS Acct. No.	Account Name	Brand	4.4 Weeks Vol. (CTNS)	4.4 Wks. x $0.50 Promo Allowance March '98 Period	Existing Alliance Accrual Thru 1/12/98	Mos. of Accrual Balance at $.55 Ctn.
999999	R. J.'s Convenience Stores	XYZ	2,376	$1,188	$6,387.70	4

Note: This account has less than 5 months of accrual in its Alliance Accrual Fund and would match our $.50 contribution with $.50 per carton of its own ($1.00 total).

Signature:_____ Div.#_____ Date:_____

RJR Account Manager:_____
Print Name

Fax to Customer Services (910) 741-2156.

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Attachment II
(FSC-20-B)

PRODUCT PURCHASE EXCEPTIONS (Extra product needed to support a promotion not scheduled in the Work Plan)

Today's Date [ ] **(Submit form at least 4 weeks prior to promotion)**

Who we can contact if we have questions

RJR Contact	
RJR Contact	

Is this a Chain, Wholesaler, or Division wide promotion?

Chain Name	
Chain ID	
or Wholesaler Name	
Wholesaler Account #	
or Division # (if Division wide)	

Describe the promotion, with specific value if known (Example: buy-down, accrual dollars, special pre-booking, etc.):

Forsyth "Year End '97" Promotion

Promotion Timing

Promotion Start	
Promotion End	

How will Retailer purchase from Wholesale supplier? (Check one)

once at beginning of promotion	
spread evenly over whole period	
other (specify in Comments section below)	

Where will the promotion occur (specific Wholesaler, specific Warehouse, or Division wide), for which brand styles, and what is the total extra volume by style needed for the entire activity period (in cases or % increase expected):

Individual Wholesaler SIS # or RJR Division # (if Division wide)	[redacted]				
Public Warehouse # (if known)	[redacted]				
Brand Style Names (PRINT LEGIBLY)	**UPC**	Total Volume cases or % increase	Total Volume cases or % increase	Total Volume cases or % increase	Total Volume cases or % increase

Comments/Special Instructions:

FAX this form to Promotions Area: 910-741-2156 Direct questions to: 910-741-3521 or 3078.

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